



STATE OF TENNESSEE  
DEPARTMENT OF COMMERCE AND INSURANCE  
500 JAMES ROBERTSON PARKWAY  
NASHVILLE, TENNESSEE 37219

NED McWHERTER  
GOVERNOR

ELAINE A. McREYNOLDS  
COMMISSIONER

B U L L E T I N

TO: All Health Maintenance Organizations

FR: Elaine A. McReynolds, Commissioner  
Department of Commerce and Insurance

*EAM*

RE: HMO'S - Filing of Rates

DA: September 1, 1988

It has come to the attention of the Department that some HMO's are not filing their schedule of charges for enrollee coverage with the Department for approval. T.C.A. Section 56-32-207(b) provides in pertinent part that no schedule of charges for enrollee coverage for health care services, or amendment thereto may be used until a copy of such schedule, or amendment thereto, has been filed and approved by the commissioner.

Such charges may be established in accordance with actuarial principles for various categories of enrollees, provided that charges applicable to an enrollee shall not be individually determined based on the status of his health. However, the charges shall not be excessive, inadequate, or unfairly discriminatory. A certification by a qualified actuary or other qualified person acceptable to the commissioner of the appropriateness of the use of the charges, based on reasonable assumptions, shall accompany the filing along with adequate supporting information. The commissioner shall approve such charges within a reasonable period of time.

Any HMO failing to comply with T.C.A. 56-32-207(b) should immediately come into compliance.

EAM/cmf